

Results as of June 30, 2022

July 22, 2022

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Agenda

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| 1. Overview | Silvio Napoli |
| 2. Financial results as of June 30, 2022 | Urs Scheidegger |
| 3. Outlook for 2022 | Urs Scheidegger |
| 4. Sustainability | Silvio Napoli |
| 5. Q&A | Silvio Napoli/Urs Scheidegger |

Intensifying challenges

Wage inflation, China lockdown 2nd wave, and semiconductor shortage accelerate the impact

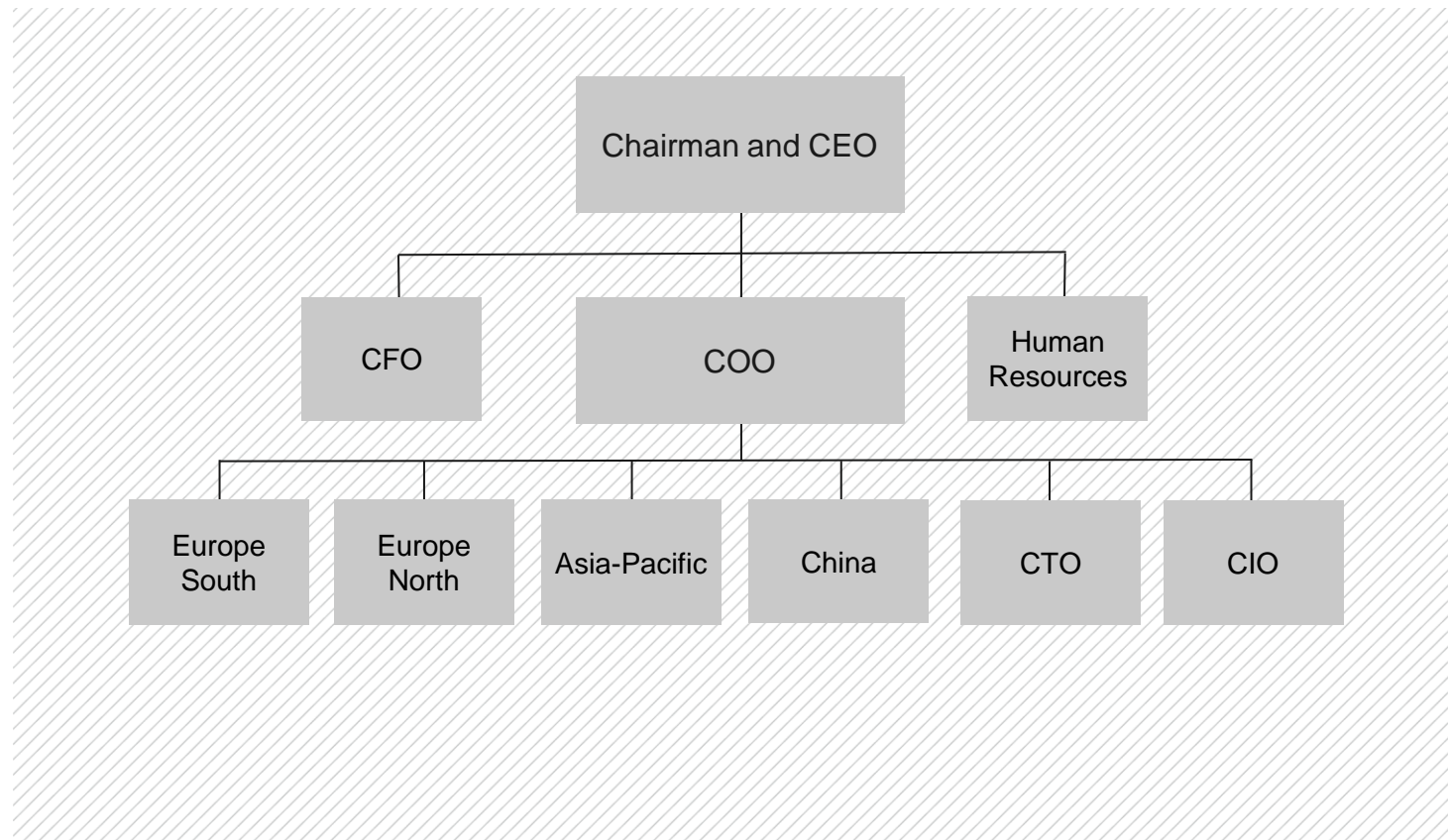
1. Dealing with foreign exchange burden
 - ▷ EUR/CHF –4.9% year-to-date, –6.2% year-on-year
2. Regaining competitive New Installations (NI) margins
 - ▷ FY 2022 material cost inflation: CHF 200m confirmed
 - ▷ FY 2022 wage inflation: CHF 120m materializing
3. Resolving supply chain disruptions
 - ▷ Ukraine war and Russia sanctions impacting logistics and material flows
 - ▷ Semiconductor shortage worsening
4. Streamlining product portfolio complexity
 - ▷ Platform legacy issues combined with supply chain disruptions delay backlog execution
 - ▷ On-time delivery severely affected
5. Adjusting for China NI market contraction
 - ▷ Unexpected 2nd wave of lockdowns
 - ▷ Extended credit crunch in property market combined with COVID uncertainty worsen E&E market outlook

In red: update since April 22, 2022

Further streamlined leadership setup to navigate challenges

Group Executive Committee reduced from 14 to 10 members

Group Executive Committee (as of August 1, 2022)



► Latest changes:

- Supply Chain removed from ExCo
- New CFO as of September 1st

Key changes before April 22, 2022

- Combined Chairman and CEO
- New COO role
- FQE removed from ExCo
- Operations removed from ExCo
- Region Americas removed from ExCo

Update challenge #2: regaining competitive NI margins

Price increases gaining traction, impact to materialize with backlog execution

Realized price increases New Installations (YTD)

China	APAC w/o China	Americas	EMEA
--	OO	OOO	OO

O Low single-digit
OO Mid single-digit
OOO High single-digit/double-digit
-- None

Key actions

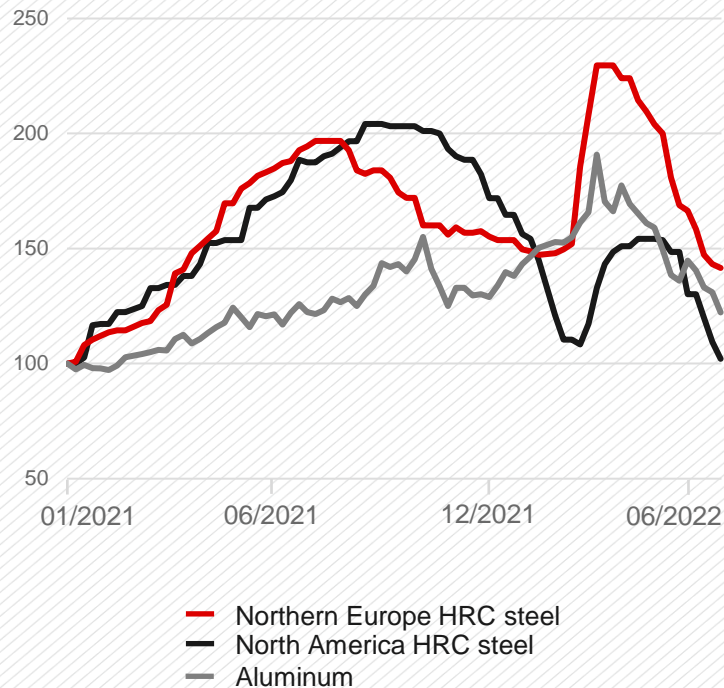
- Inflation clause enforcement: open tenders + backlog
- Price increases (April/July) for New Installations and Modernization
- Non-standard options priced at premium
- Strict discount controls implemented
- Pricing-quality based incentive scheme for sales force

Update challenge #2: regaining competitive NI margins

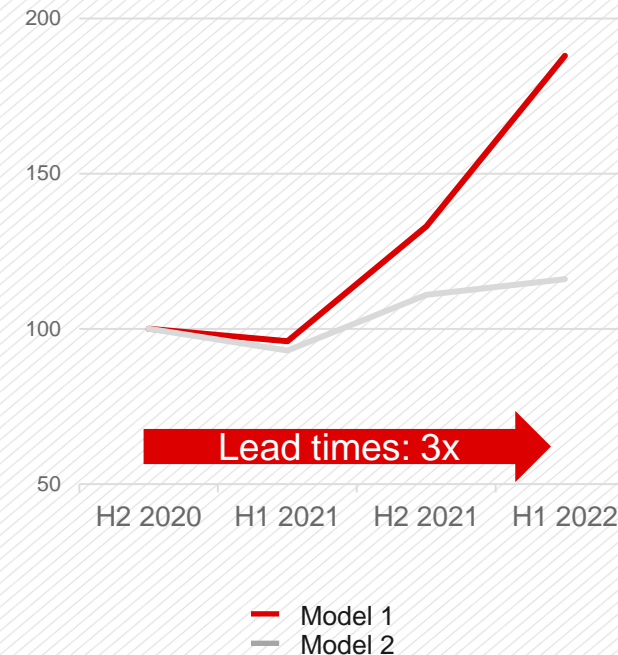
Metals price correction to flow through 6+ months inventory before reaching P&L

Semiconductor price surge reflects shortage, affecting current margins and delivery times

Steel and aluminum prices



Semiconductor prices



Key actions

- Build-up strategic inventory
- Reduce dependency on single-source suppliers
- Hedging strategies for bulk materials ready to trigger
- Engage with strategic suppliers
- Accelerate strategic procurement upgrade (Top Speed 23 program)

HRC: Hot Rolled Coil and aluminum

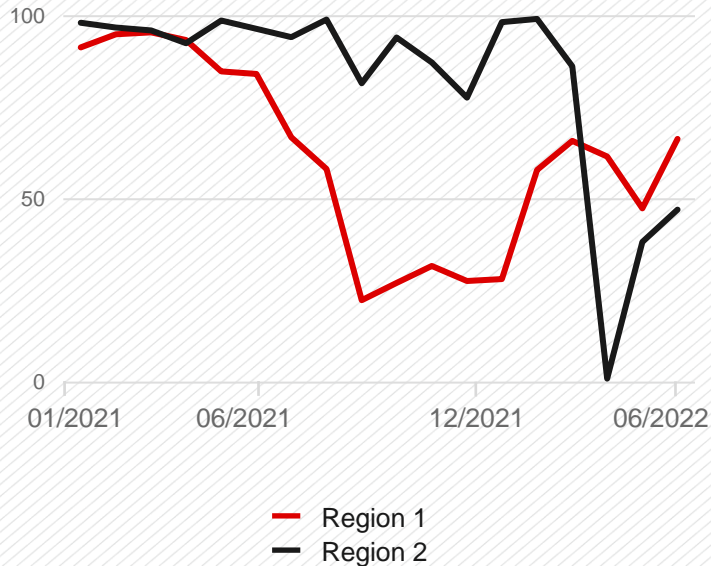
Source: Bloomberg, indexed, base January 1, 2021, Schindler

Update challenge #3 and #4: Supply chain/product complexity

Product legacy + semiconductor shortage + China lockdowns

→ on-time delivery overall at ~50% globally

On-time delivery (%)



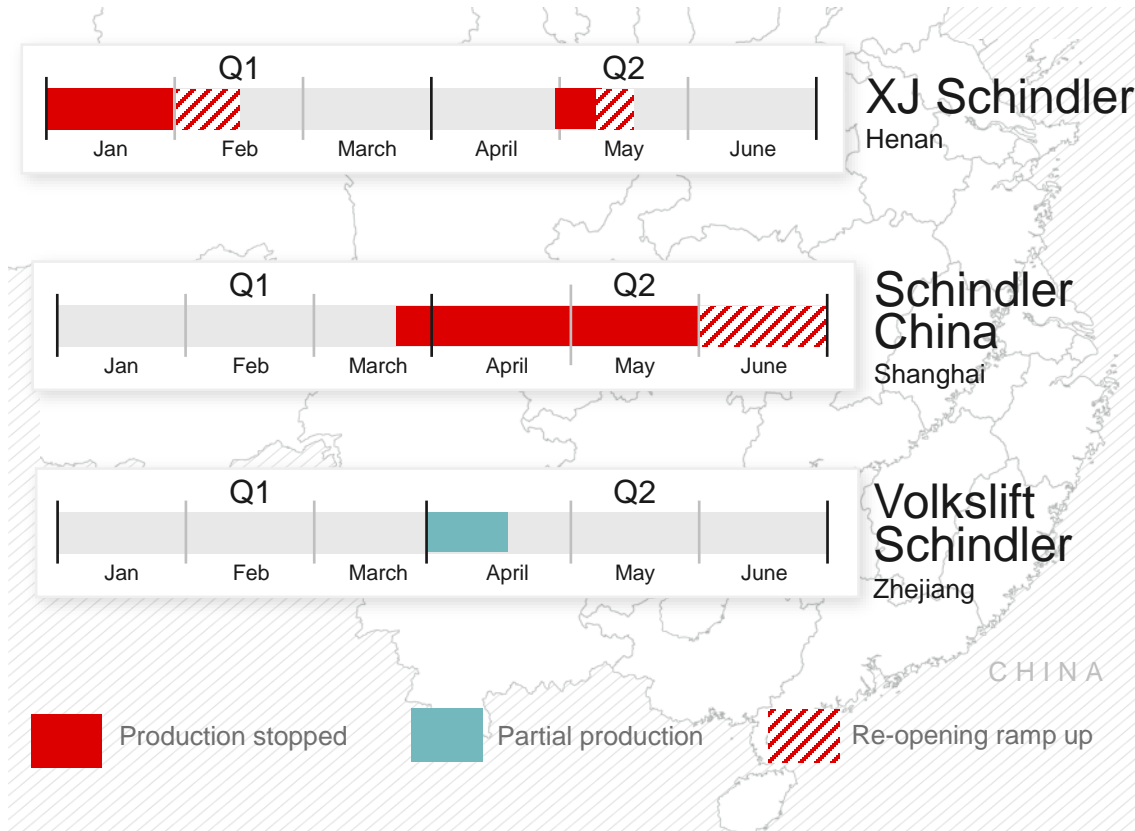
Key actions

- Complexity management – drastic reduction of options offered
- Sales configurator simplified
- Semiconductor stocks pooling
- Reduce global supply chain dependency on China
- Adjusted delivery times for new orders
- Close communication with customers on standing commitments to align expectations

Update challenge #5: China NI market to further contract

Accelerated market contraction aggravated by lockdowns

Lockdown periods

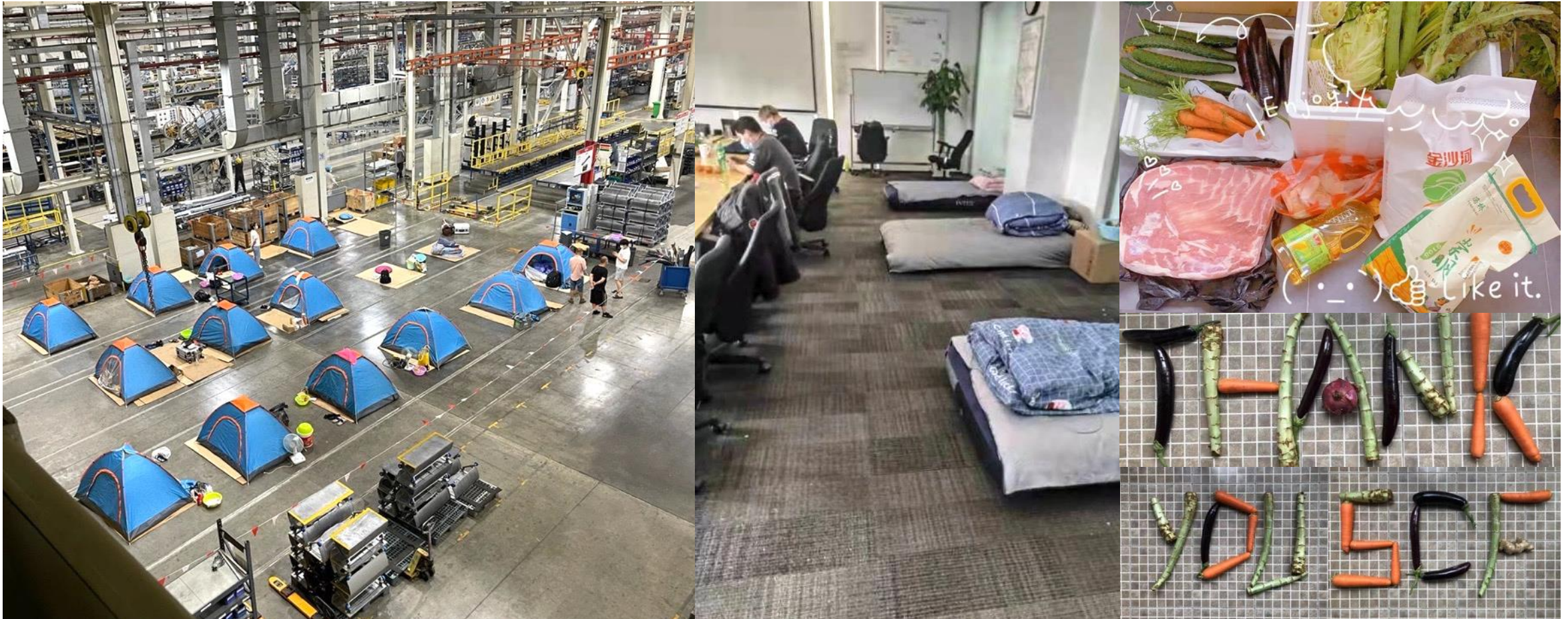


Key actions

- Support to China staff in lockdowns
- Readiness plan for potential future lockdowns
- Ramp-up of fulfillment capacity to catch-up delayed construction sites and revenue
- Restructuring program for market contraction

Update challenge #5: China NI market to further contract

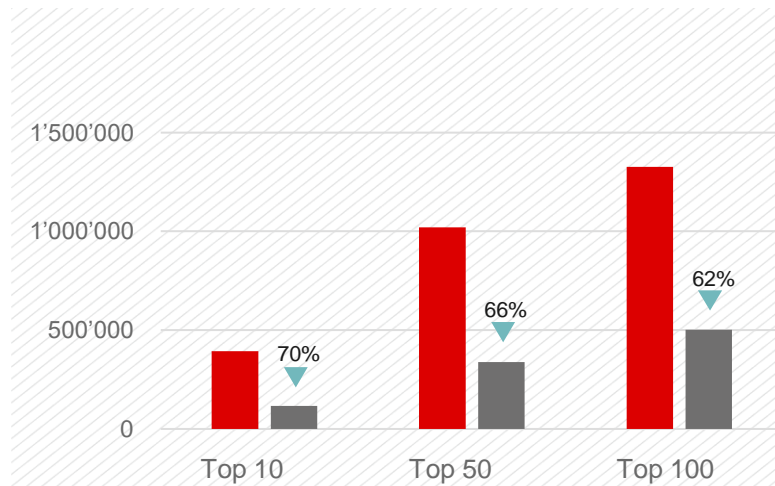
Emergency measures to support our employees during lockdowns



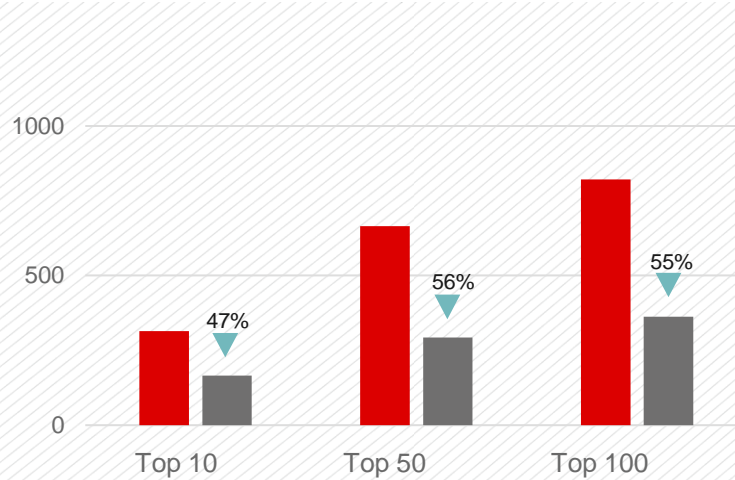
Update challenge #5: China NI market to further contract

Top 100 developers: sales, land reserves, and purchases significantly down

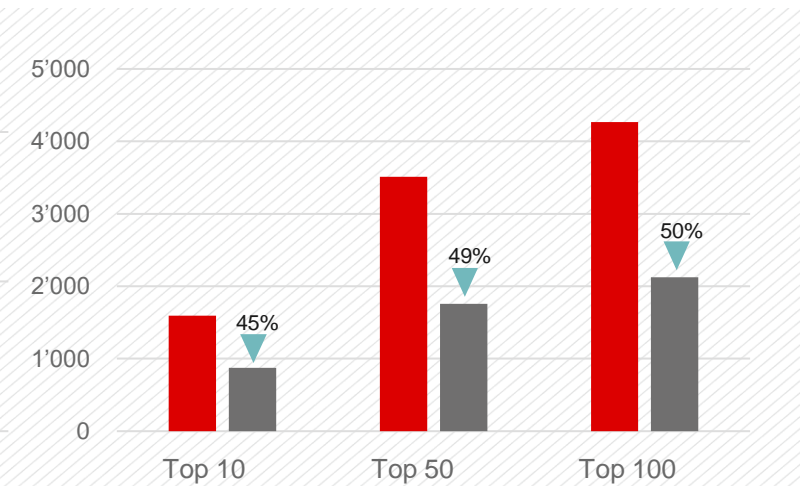
Land reserve (km²)



Land purchase (bn RMB)



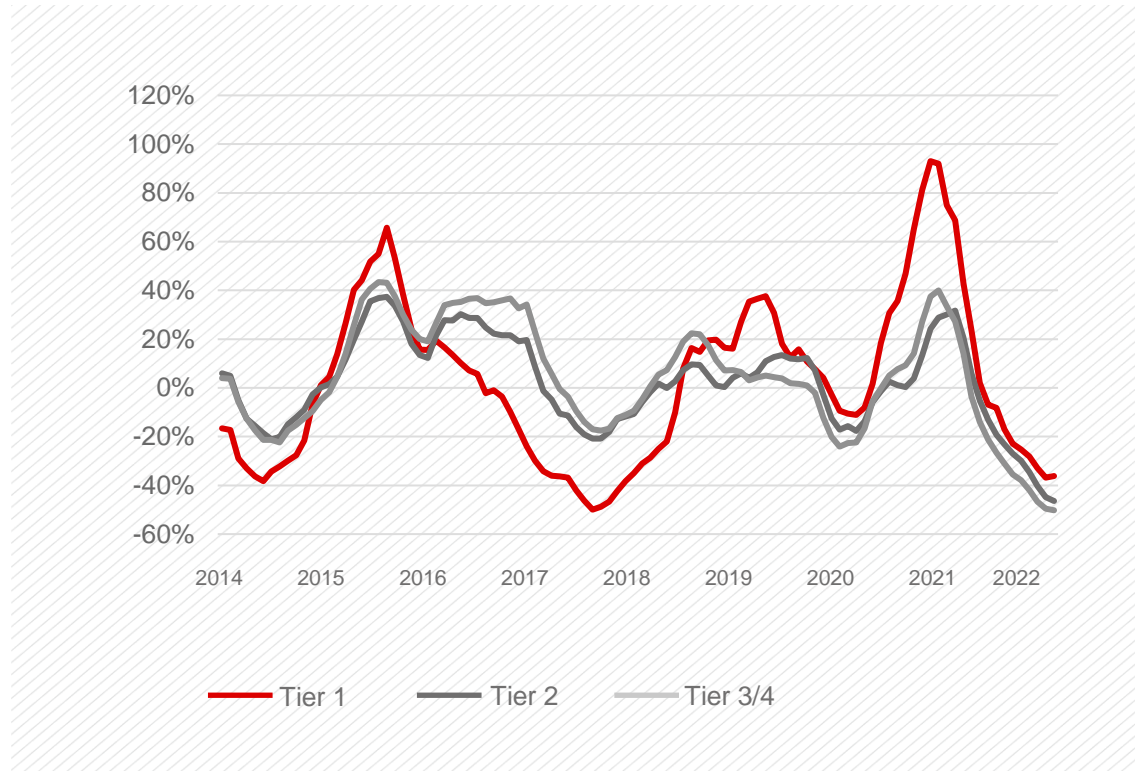
Sales value (bn RMB)



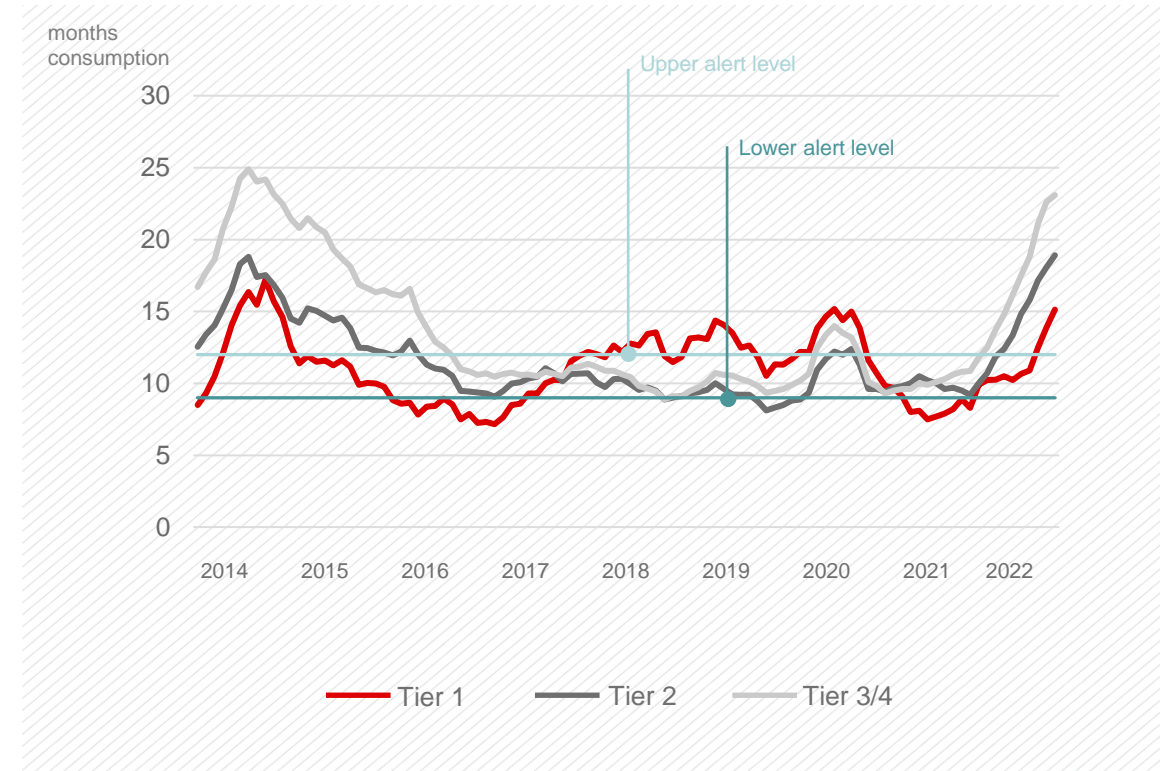
Update challenge #5: China NI market to further contract

Market contraction above 15% materializing

Floor space sold further declined across all city tiers¹⁾



Housing inventory back at alert levels



1) Six months average by city tier (June 2022)

2) Housing inventory by city tier (months of sales/June 2022)

Market development

Global market burdened by significant NI slowdown in China

Market growth	China	APAC w/o China	Americas	EMEA	Global
New Installations	○○○	○	○○	○	○○
	Lock-downs/ liquidity constraints	Recovery	Driven by residential/ Infrastruct- ure	Solid across all segments	Contraction as a result of China situation
Existing Installations	Maintenance continues to grow, uptake in Modernization				○○

○ <5% ○○ 5% to <10% ○○○ <10%

negative ○ | ○ positive



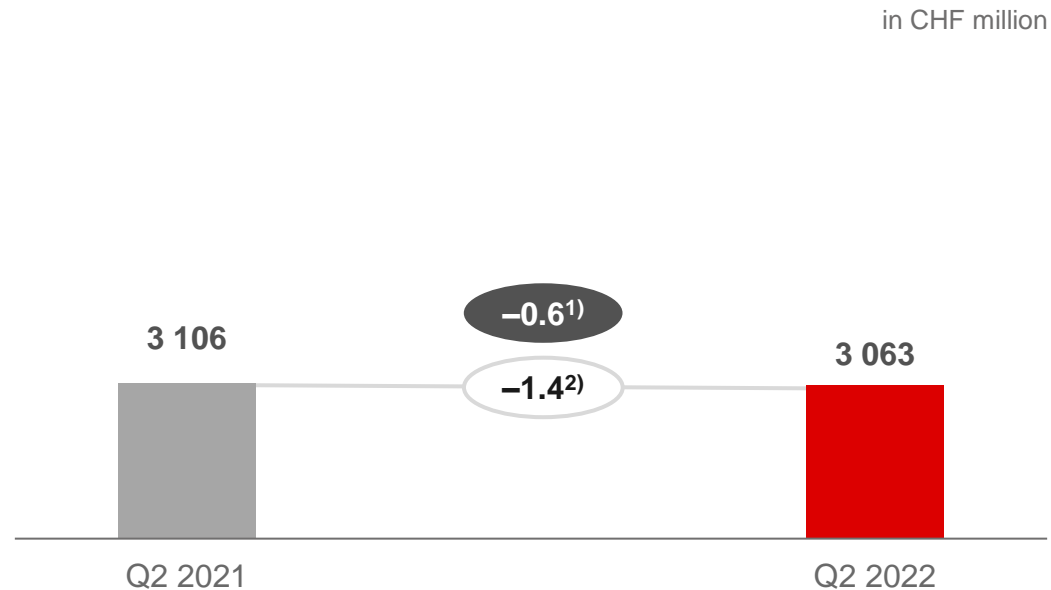
Results in a nutshell

- Order intake and revenue affected by China market contraction and lockdowns
- Profit development burdened by cost inflation, semiconductor shortage, supply chain issues and restructuring costs, exacerbated by China lockdowns
- Sharpened focus on increasing prices to offset inflation, streamlining product offering and driving efficiency
- Order backlog reaching the 10 billion milestone

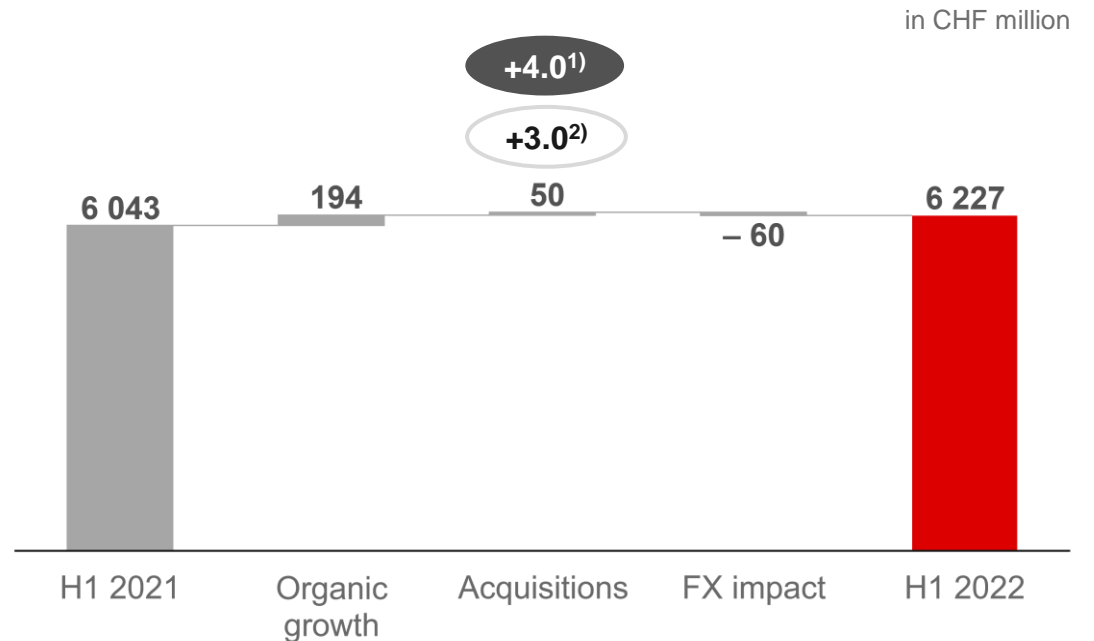
Order intake development

Focus on sales margins and global market contraction reflected in slowing growth momentum

Second quarter



Half-year

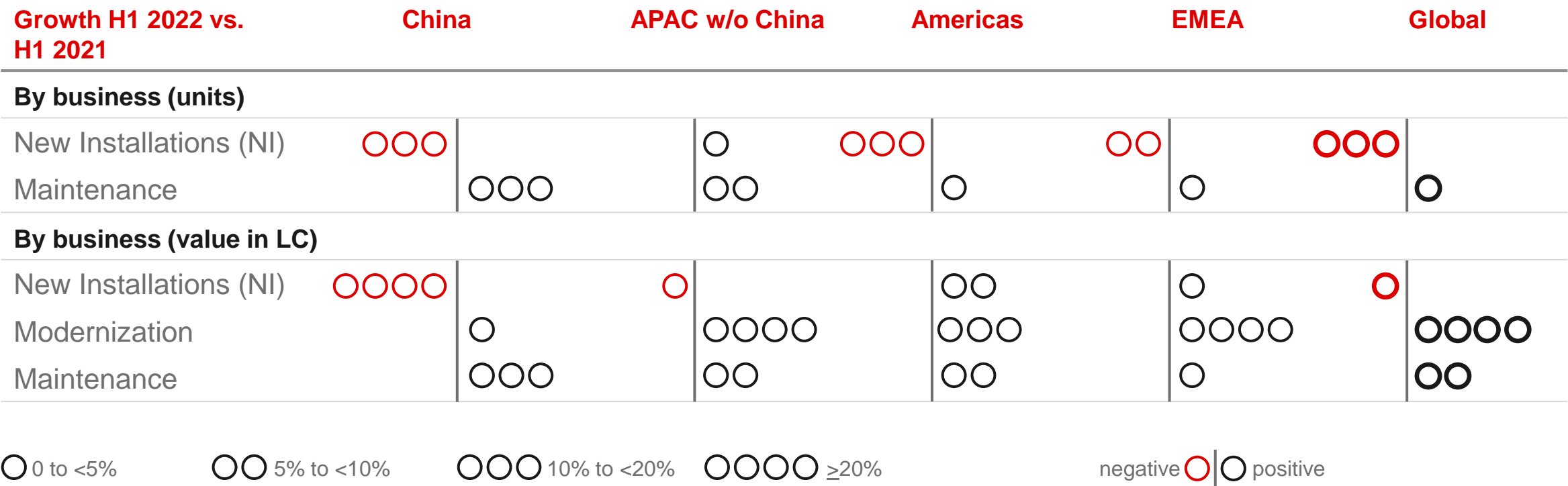


1) Growth in local currencies, in %

2) Growth in %

Order intake growth by region and product line (1st half year)

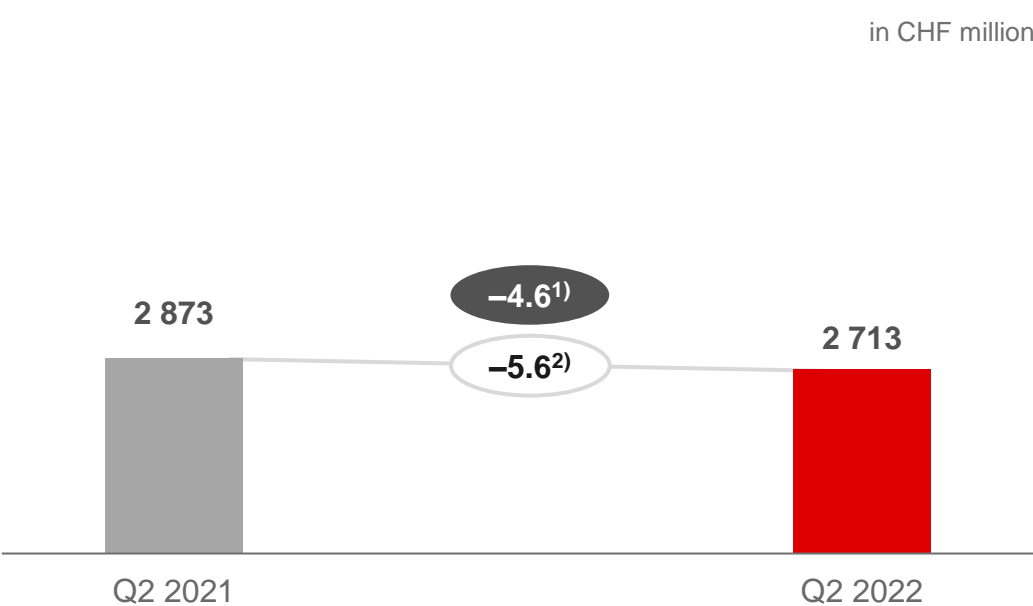
Pick-up in Modernization and Maintenance offset drop in New Installations



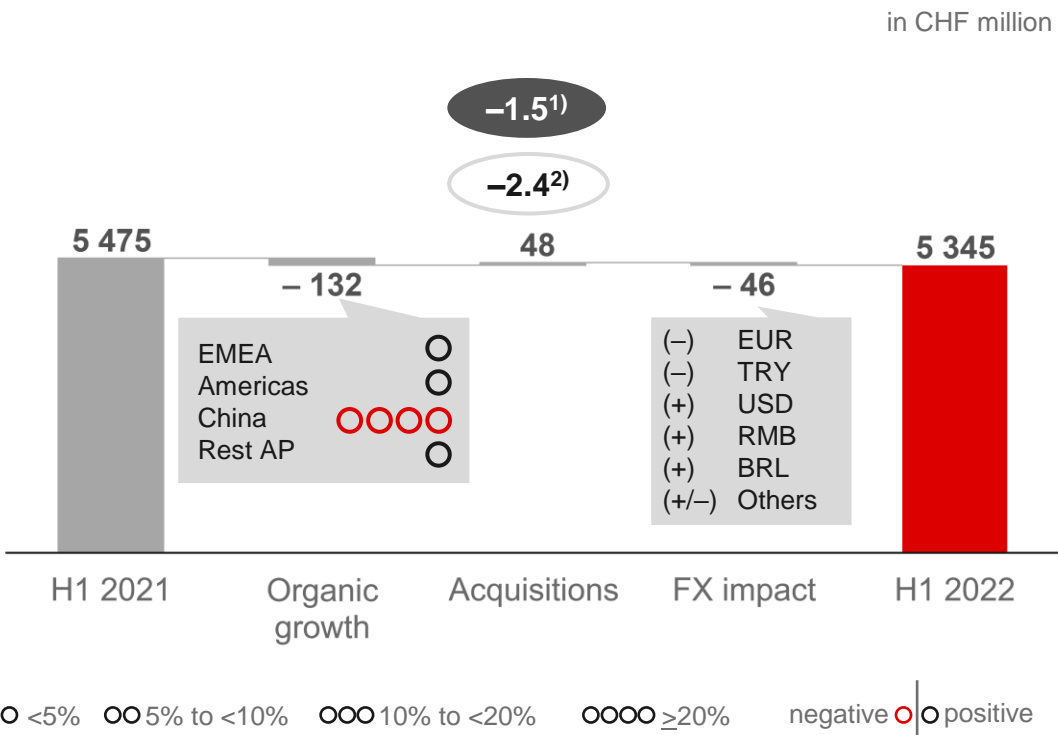
Revenue development

Growth in all regions vs. significant drop in China

Second quarter



Half-year



1) Growth in local currencies, in %
2) Growth in %

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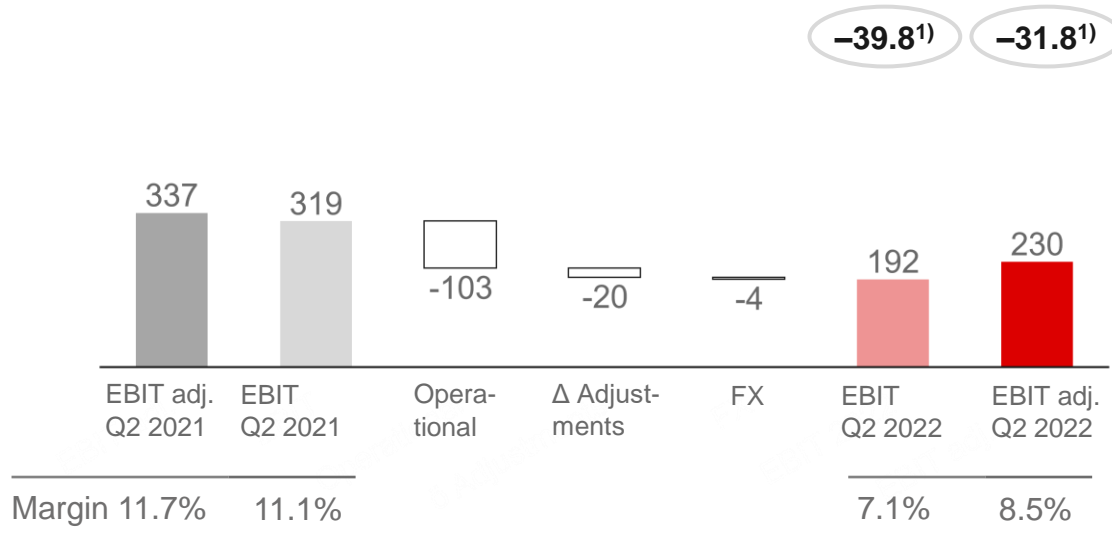


EBIT adjusted and EBIT development

Persisting pressure from cost inflation, product legacy, semiconductor shortage, supply chain issues and restructuring costs, exacerbated by China lockdowns

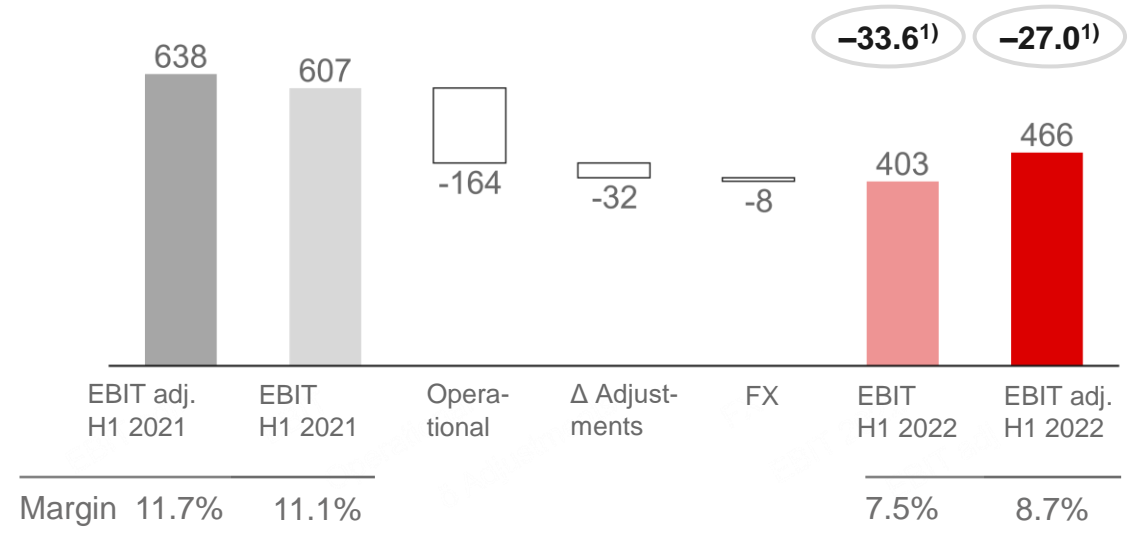
Second quarter

in CHF million



Half-year

in CHF million



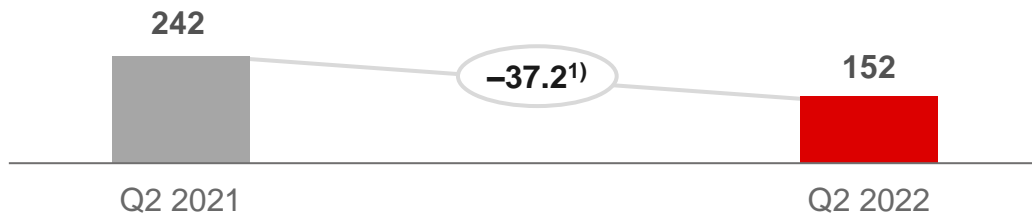
1) Growth in %

Net profit development

Impacted by lower operating result

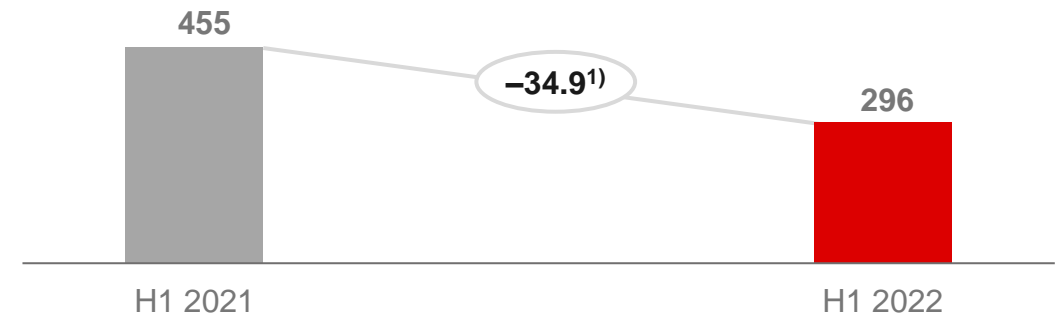
Second quarter

in CHF million



Half-year

in CHF million



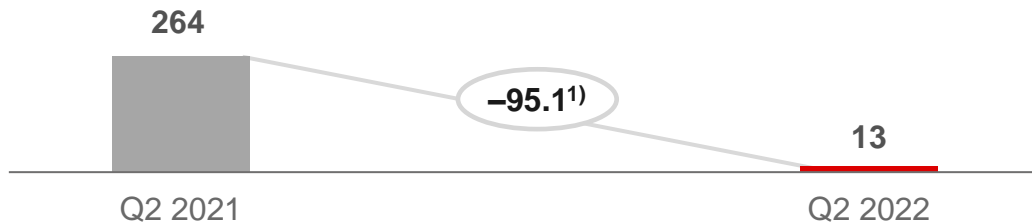
1) Growth in %

Cash flow development

Reduced as a result of lower operating profit and increased net working capital requirements

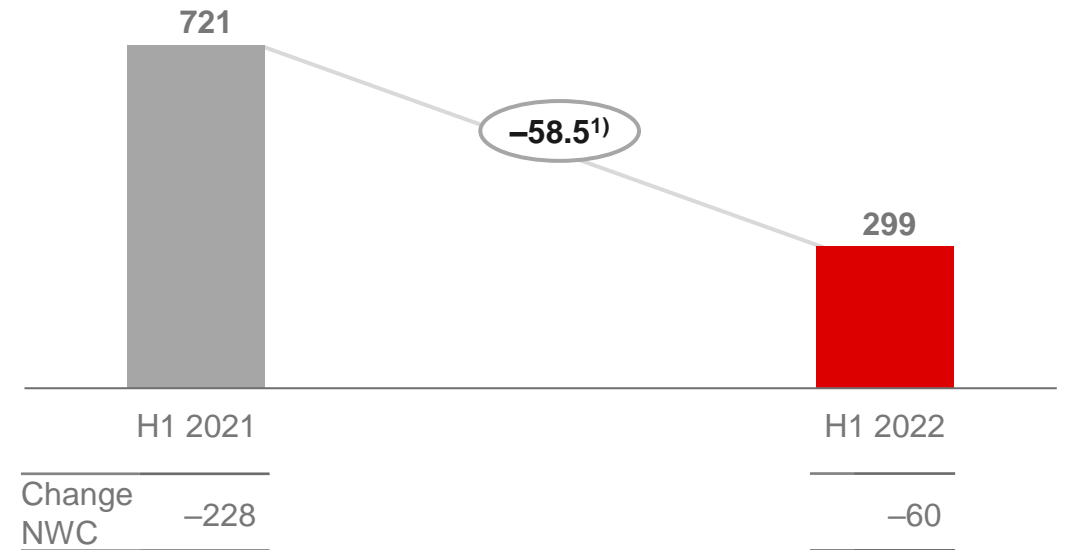
Second quarter

in CHF million



Half-year

in CHF million



1) Growth in %

Outlook 2022



Outlook 2022

As of July 22, 2022

Business environment

- China market contracting, RoW mixed with slowing momentum
- Construction site delays continue to hinder project execution
- Inflation pressure and supply chain issues to continue
- Persistent foreign exchange pressure

Key actions

- Price increases across all regions and product lines
- Accelerated measures to streamline product offering
- Clean-up backlog
- Supply chain turnaround
- Efficiency drive
 - Material
 - Labour
 - Structure and overhead

Schindler outlook for 2022

- Assuming no further lockdowns and no other unexpected events, Schindler foresees revenue growth for the full year 2022 of –2% to 2% in local currencies
- Net profit expected to reach between CHF 620 million and CHF 660 million



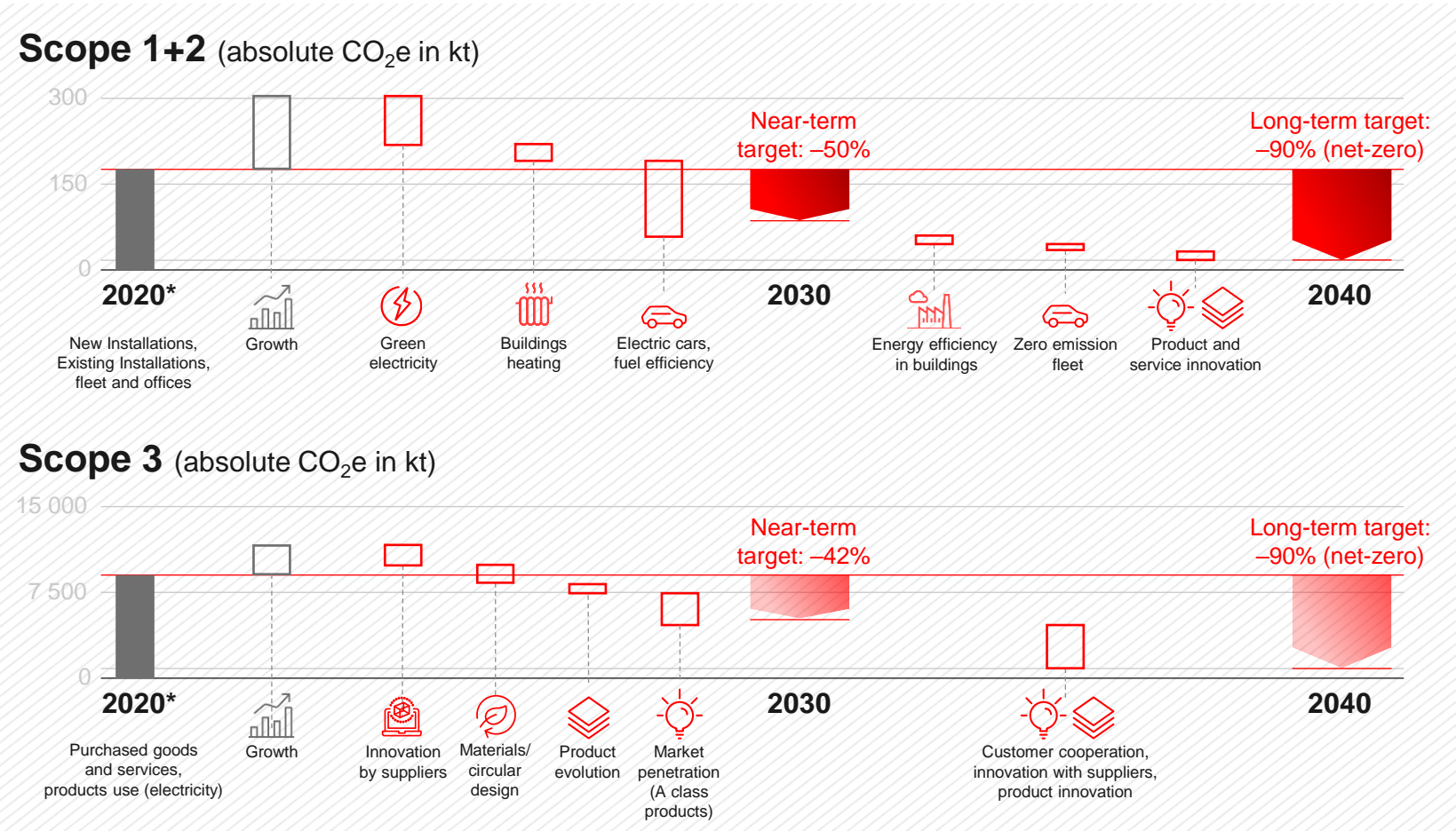
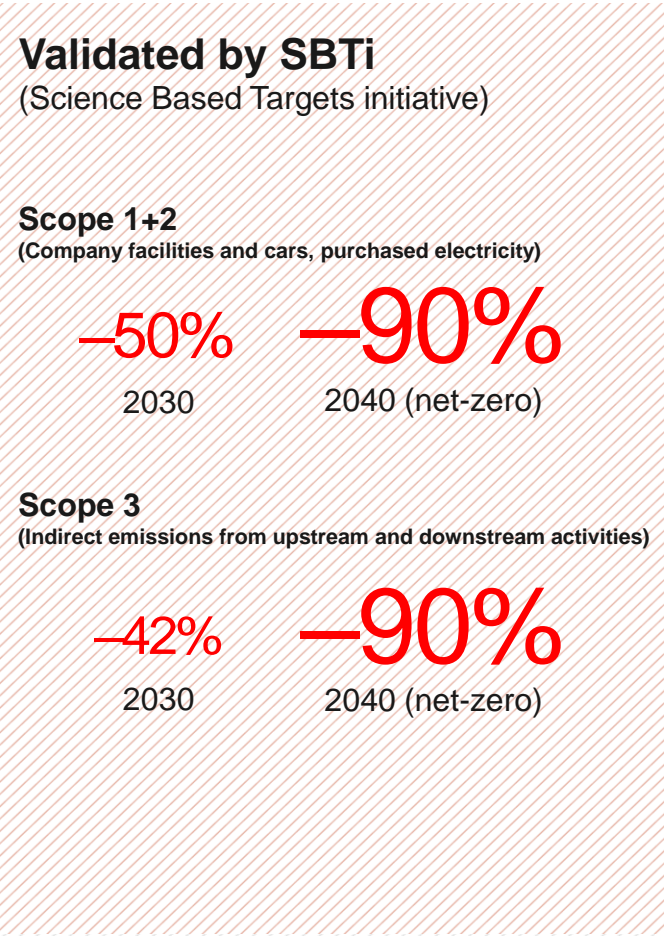
Corporate Responsibility Report 2021



Schindler



Science Based Targets – validated 2040 net-zero roadmap



Results as of June 30, 2022

Q&A

July 22, 2022

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Additional charts

Key figures as of June 30, 2022

April to June

In CHF million	Q2 2022	Q2 2021	△ %	△ % in LC
Order intake	3 063	3 106	−1.4	−0.6
Revenue	2 713	2 873	−5.6	−4.6
Operating profit (EBIT)	192	319	−39.8	−38.2
in %	7.1	11.1		
Operating profit (EBIT), adjusted	230 ¹⁾	337 ²⁾	−31.8	−30.3
in %	8.5	11.7		
Financing and investing activities	4	−11		
Profit before taxes	196	308	−36.4	
Income taxes	44	66		
Net profit	152	242	−37.2	
Earnings per share and participation certificate in CHF	1.30	2.12	−38.7	
Cash flow from operating activities	13	264	−95.1	

¹⁾ Adjusted for Top Speed 23 costs (CHF 15 million), restructuring costs (CHF 17 million), and expenses for BuildingMinds (CHF 6 million)

²⁾ Adjusted for Top Speed 23 costs (CHF 4 million), restructuring costs (CHF 7 million), and expenses for BuildingMinds (CHF 7 million)

Key figures as of June 30, 2022

January to June

In CHF million	1H 2022	1H 2021	△ %	△ % in LC
Order intake	6 227	6 043	3.0	4.0
Revenue	5 345	5 475	−2.4	−1.5
Operating profit (EBIT)	403	607	−33.6	−32.3
in %	7.5	11.1		
Operating profit (EBIT), adjusted	466 ¹⁾	638 ²⁾	−27.0	−25.7
in %	8.7	11.7		
Financing and investing activities	−19	−24		
Profit before taxes	384	583	−34.1	
Income taxes	88	128		
Net profit	296	455	−34.9	
Earnings per share and participation certificate in CHF	2.54	4.00	−36.5	
Cash flow from operating activities	299	721	−58.5	

¹⁾ Adjusted for Top Speed 23 costs (CHF 31 million), restructuring costs (CHF 20 million), and expenses for BuildingMinds (CHF 12 million)

²⁾ Adjusted for Top Speed 23 costs (CHF 4 million), restructuring costs (CHF 15 million), and expenses for BuildingMinds (CHF 12 million)

Quarterly overview

Key figures

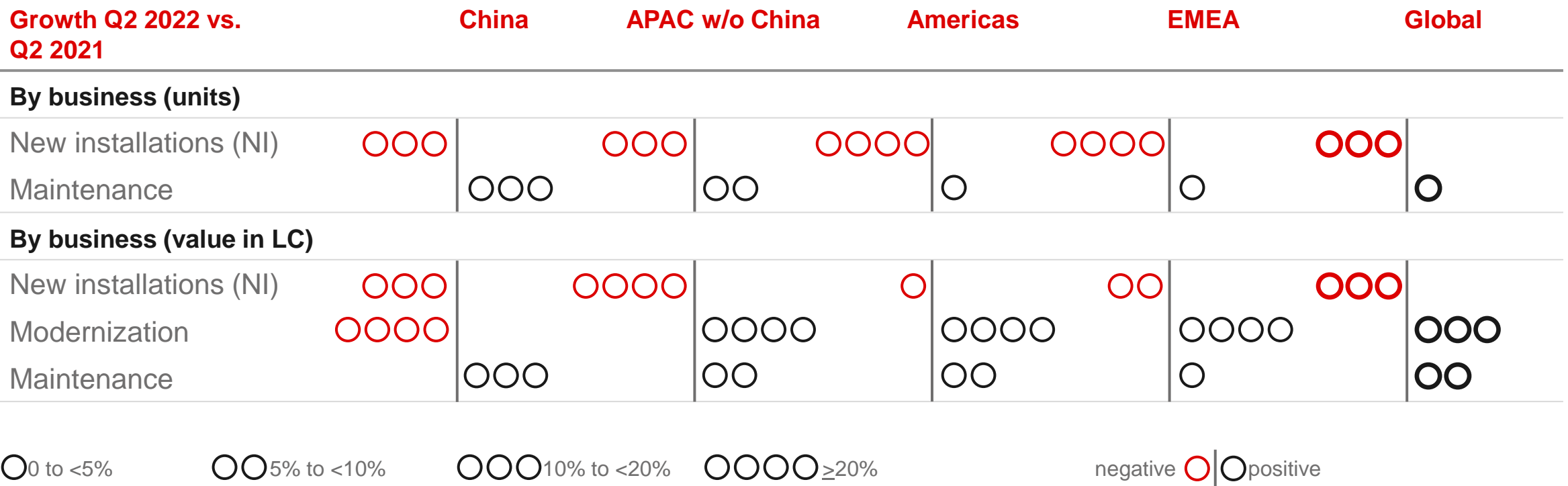
In CHF million		2022				2021
	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	3 063	3 164	3 128	2 995	3 106	2 937
Revenue	2 713	2 632	2 954	2 807	2 873	2 602
Operating profit (EBIT)	192	211	253	306	319	288
in %	7.1	8.0	8.6	10.9	11.1	11.1
Operating profit (EBIT), adjusted	230	236	306	308	337	301
in %	8.5	9.0	10.4	11.0	11.7	11.6
Financing and investing activities	4	–23	–11	–7	–11	–13
Profit before taxes	196	188	242	299	308	275
Income taxes	44	44	50	65	66	62
Net profit	152	144	192	234	242	213
Cash flow from operating activities	13	286	356	237	264	457

Balance sheet

In CHF million	30.06.2022	in %	31.12.2021	in %	30.06.2021	in %
Cash and cash equivalents	2 408	20.2	2 841	23.7	2 425	20.8
Other current assets	5 689	47.6	5 436	45.4	5 470	47.0
Total current assets	8 097	67.8	8 277	69.1	7 895	67.8
Non-current assets	3 844	32.2	3 697	30.9	3 741	32.2
Total assets	11 941	100.0	11 974	100.0	11 636	100.0
Current liabilities	6 541	54.8	5 955	49.7	5 892	50.6
Non-current liabilities	1 210	10.1	1 589	13.3	1 451	12.5
Total liabilities	7 751	64.9	7 544	63.0	7 343	63.1
Equity	4 190	35.1	4 430	37.0	4 293	36.9
Total liabilities and equity	11 941	100.0	11 974	100.0	11 636	100.0
Net working capital	– 891		–1 055		–1 077	
Net liquidity	2 619		3 027		2 728	

Order intake growth by region and product line (2nd quarter)

Strong growth in Existing Installations couldn't fully offset sharp New Installations decline



Financial calendar 2022/2023

	2022	2023
Publication of key figures as of September 30	October 20	October
Full year results media conference		February
Ordinary General Meeting Schindler Holding Ltd.		March 28
Publication of key figures as of March 31		April
Publication of Interim Report as of June 30		July

Contact:

Marco Knuchel, Head Investor Relations; Phone +41 41 445 30 61, investor.relations@schindler.com

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